



# THE CRYPTOCURRENCY ACTION PLAN

## Your Guide to Making a Fortune in 2018

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By Teeka Tiwari



PALM BEACH CONFIDENTIAL

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By Teeka Tiwari

In this special report, I'll share with you two cryptocurrencies that are poised to explode in 2018.

The first idea involves a dream team of ex-government agents who've come together to create what I believe will become the world's most widely used privacy coin.

But it's more than that.

It's a full-blown privacy platform.

The platform allows for globally secure payments with built-in anonymous messaging. You can also publish documents and store data anonymously.

And developers can use the platform to build and launch their own privacy apps.

Outside a small number of people, this coin is virtually unknown. But over the last six months, some of the brightest minds in crypto have been quietly rallying around this project.

Charles Hoskinson is the former CEO of Ethereum (one of the picks in our portfolio). He's a close advisor of the project. And he has a team of developers working on it right now.

The main core technical team developer is the same guy who leads the payments engineering team at Airbnb, the \$31 billion vacation rental behemoth.

The project has attracted a fierce following of developers and community members that number over 1,000.

In the next few weeks, the project is about to make a big announcement.

The announcement will make this privacy coin the most secure network in the world. More secure than current leaders Monero, Zcash, and Dash.

When this announcement is made, investor money will flood into the coin.

We want to own it before that announcement is made. (More on that below.)

Short term, I think we'll see this one double over the next few weeks.

Within one to two years, I expect this coin to have a \$1 billion to \$2 billion market cap.

That would take the price from around \$20 per coin to between \$250 and \$500 per coin.

That would turn a \$400 investment into \$5,000–10,000. Or a \$1,000 investment into \$12,500–25,000.

The second idea is a virtual currency that provides banks a way to safely, securely, and quickly move money around the world.

Today, it takes banks three to five days to move money. This new private currency allows banks to move money in five to 10 seconds.

On top of that, this solution is 60% cheaper than what banks currently pay.

At least 15 of the world's top 50 banks have agreed to use this new private currency, including Bank of America, UniCredit Banca, the Canadian Imperial Bank of Commerce, and Santander Bank.

And 56 banks in Japan have also agreed to start using it.

We believe this new currency and the technology behind it could become the global standard for international bank trades.

If we're right, we'll see \$20 trillion per day in global bank payments transacted across this network.

It's selling for pennies right now, but I expect 1,000% growth over the next 36 months.

That would turn a \$400 investment into \$4,000. Or a \$1,000 investment into \$10,000.

Plus, I'll share with you a **bonus** idea. It's using an innovative application of blockchain technology to make any internet-connected device unhackable.

And that's not all...

This same technology that protects devices from tampering can also protect documents.

Right now, these coins are trading around \$16. But if this technology catches on like I expect it will, we could see them trade for \$417... a 2,500% gain. That would turn a small \$500 placement into \$13,000.

At *Palm Beach Confidential*, we call this asymmetric-risk investing. It's the strategy we use to take a trivial sum of money and convert it into life-changing wealth. Thousands of my subscribers have already done this.

If you are new to *Confidential*, welcome. It's your turn to get a crack at a 50-bagger.

I want you to know these two ideas will be wildly volatile. We might double in price right out of the gate. We could just as easily drop 50% next week.

And I'll tell you it doesn't matter...

When you take a small position size, you can safely ignore volatility and focus on the big picture.

And the big picture for both ideas is bright.

## Crypto Pick No. 1: The World's Most Widely Used Privacy Coin

The idea for this first coin was born from the meeting of three ex-military guys who wanted to create a "more secure, anonymous version of bitcoin."

To do that, they combined their expertise in the military, intelligence, and cryptography fields.

In his own words, project leader Rob Viglione is a "mercenary mathematician."

He's a former U.S. Air Force officer with experience in satellite radar, space launch vehicles, and combat support intelligence.

He was also a private U.S. military contractor embedded in Afghanistan. There, he used mathematical algorithms to map out the likely locations of improvised explosive devices (IEDs).

Rolf Versluis is a graduate of the U.S. Naval Academy. After graduation, he was commissioned as an officer of a nuclear submarine.

Joshua Yabut is a former cybersecurity expert at NASA and former National Guard executive officer. His job was to break into government and corporate networks. By all accounts, he was excellent at it.

(I later found out that Joshua Yabut has since left the team to pursue other opportunities. We don't see this as a negative as it's usual for some team members to leave.)

A year ago, these three men joined forces. They saw a world becoming increasingly hostile to individual freedoms and decided to do something about it.

They want to give people back control over their privacy. Here's what they wrote in their white paper for the project:

We live in a hyper-regulated and surveilled world where billions of individuals are deprived of basic human rights, such as property ownership, privacy, free association, and access to information. The technology now exists to solve some of these problems...

These three men come from a unique background in government. No one I've met in the crypto space has a better understanding of the government's security apparatus than they do. They understand nation-led security threats at a deeper level than any other privacy coin team in the world.

That's why instead of just building another privacy coin, they built an entire privacy ecosystem.

## Your Privacy Is Under Assault

All over the world, governments are trampling over citizens' rights. And this has led to the rise of "privacy" coins.



Take Turkey, for instance. That country's government has jailed people for downloading certain apps.

In 2016, a military coup tried to topple the government. The plotters used a smartphone messaging app called ByLock to coordinate the attack.

In retaliation, the Turkish government jailed nearly 75,000 citizens for downloading the app. Even if they had nothing to do with the coup.

Think about that.

And don't think this is just something that happens abroad. Your privacy is under assault in the United States, too.

According to former FBI director James Comey, you have no right to privacy at all.

"There is no such thing as absolute privacy in America; there is no place outside of judicial reach," Comey said at a Boston College conference on cybersecurity back in March.

Apparently, in the eyes of the FBI, no corner of your life is sacred. It can look at it all.

That's why it should have been no surprise when we discovered the National Security Agency (NSA) has been monitoring all of our communication for years.

Privacy coins are cryptocurrencies that seek to shield your identity. They are designed so governments or other outside parties can't track your transactions.

When I first started looking at privacy coins a year ago, the entire market was under \$200 million. Today, it stands at over \$4 billion.

That's a 1,900% increase.

Two of the top 10 most valuable cryptocurrencies are privacy coins Monero and Dash. We own both and have done quite well.

As of this writing, we're up 886% and 100%, respectively. But as good as Dash and Monero are at protecting privacy, they focus on small niches.

In my research, I've found only one project that pro-

vides a much broader level of privacy that the future will demand.

## A New Way to Shield Transactions

The name of this project is **ZenCash (ZEN)**.

ZenCash has about 2.2 million coins outstanding. Just like bitcoin, there will never be more than 21 million ZenCash coins.

Here's the background on ZenCash...

ZenCash shares a similar history to the \$2.2 billion privacy coin giant Dash. (Dash is currently the sixth largest cryptocurrency in the world.)

What many folks don't know is that Dash went through a long, winding road before becoming the powerhouse it is today.

Dash started as a clone of bitcoin... but with privacy. Its original name was Darkcoin. It then "forked" (spun off) into XCoin, and then forked again into Dash.

Each change brought further refinements to the underlying protocol.

We've seen ZenCash follow a similar path.

In a moment, I'll explain to you the changes the team made that will make ZenCash the No. 1 privacy coin in the world.

Before I do that, I want to show you what's wrong with the privacy coins we have right now.

## The Four Problems With Current Privacy Coins

The world's privacy coins are each solving small parts of the overall privacy problem.

- Zcash wants to keep your transactions and wealth secret.
- Dash wants to be a commerce coin with optional privacy.
- Monero wants to be untraceable digital cash.

Each of these coins has done great work in its relative niche... but each has fundamental drawbacks.

### **Drawback No. 1: Inadequate Funding Model**

Monero's funding model relies on developers donating their time to the project. They are not paid to improve Monero.

Zcash's funding model is only in place for the first four years. After that, Zcash is expected to rely on the "community" for further development.

Only Dash has truly sustainable long-term development funding through its treasury model. Dash's design sends 10% of the mining reward into a treasury to pay for ongoing development.

For long-term success, a privacy coin must have a self-funding model.

### **Drawback No. 2: Not Fully Secure**

Privacy coins aren't as anonymous as advertised. To our knowledge, no cryptocurrency today employs end-to-end encryption.

End-to-end encryption is a system of communication. In this system, only communicating users can read the messages they send and receive. No eavesdropper can access the messages.

Without end-to-end encryption, anyone monitoring the network could see all traffic across all blockchains.

This means governments could track down the origin of transactions and identify users.

Here are two examples of so-called untraceable coins getting traced...

In 2016, federal law enforcement agents seized nearly 12,000 Monero coins.

And this year, law enforcement agents seized nearly 3,700 Zcash coins from the late Alexandre Cazes, the alleged leader of dark market drug purveyor AlphaBay.

Obviously, the government did not publicize how it was able to track down these "untraceable" coins. But it makes sense that the lack of end-to-end encryption could have played a role in unmasking these transactions.

While you and I have no interest in running an illegal drug bazaar, there are many legitimate reasons to want privacy. For instance, do you want everyone to know exactly what you buy or what causes you support?

The government has a history of persecution based on political beliefs.

In 2013, news broke that the IRS had targeted organizations affiliated with the Tea Party.

Let's say you want to give money to WikiLeaks, a website that publishes secrets and classified information from anonymous sources.

If you donate publicly, the government could use that information to deny you a security clearance or federal job. Even private sector jobs could discriminate against you.

What if you want to give money to a pro-life or a pro-choice charity? Either choice could lead to employer and/or social discrimination.

The point is there are lots of legitimate reasons to keep your financial transactions private. Without end-to-end encryption, you can't be sure you are safe.

### **Drawback No. 3: Easily Blocked**

As governments become more fearful of cryptocurrencies, they'll try to block your access to them. We're already seeing this in China and Russia.

China has shut down its domestic crypto exchanges. The Russian central bank has said it will block access to all cryptocurrency trading websites.

Governments will enforce these bans by making internet service providers (ISPs) keep a list of banned sites.

You literally will not be able to connect to these sites. Dash, Monero, and Zcash have no way to overcome this type of government blacklisting.

This is a huge flaw in today's leading privacy coins.

### **Drawback No. 4: They Only Handle Payments**

Dash, Monero, and Zcash are primarily designed to handle the transfer of money.

Zcash offers something slightly different with its private messaging function.

(Dash also has unique offerings like “instant send,” which allows you to receive money instantly.)

The privacy coin of the future must be able to do more than move money.

- It must have built-in messaging.
- It must allow anonymous data publishing and storage.
- It must have end-to-end encryption and be unblockable.
- And of course, it must be able to handle the anonymous transfer of money.

None of the current privacy coin leaders have all of those functions... except ZenCash.

## Why ZenCash Will Become the Most Widely Used Privacy Coin

Earlier, I told you ZenCash is the brainchild of three ex-military men.

This is important because if you believe in the saying “it takes a thief to catch a thief,” then you’ll understand the value these military insiders bring to a privacy ecosystem.

Throughout their careers, these founders have had ringside seats to how governments really operate.

That’s why they shed their government careers and devoted their professional lives to the creation of a total privacy platform.

The ZenCash team has designed a platform that will plug the holes that plague the current privacy coins.

### Plug No. 1: Robust Funding Model

Developing software costs money... lots of money.

Traditional software firms rely on issuing stock, sometimes bonds, and, on rare occasions, actual earnings to fund their operations.

Typically, cryptocurrency projects rely on community donations of time and skill.

Relying on the goodwill of others is not a long-term scalable solution.

The other problem with relying on a community of developers is that a small group of folks ends up steering the project.

This results in a centralized development team, which can lead to a weaker project.

We like decentralized development teams. In that model, the community votes on which aspects of development get priority.

When you have a funding mechanism that the community votes on, it ensures the best ideas and the most committed developers are getting the money they need to keep improving the project.

ZenCash has solved this problem by using a “Treasury Model.”

Every 2.5 minutes, 12.5 ZenCash gets mined. Under its Treasury Model, 88% of the mining reward goes to the miners. The ZenCash Foundation Treasury gets 8.5%.

(I’ll explain where the rest goes in a moment.)

Right now, 7,200 new ZenCash gets mined each day. Of that, 612 coins (8.5%) go to the ZenCash Foundation Treasury.

At current prices, that’s \$12,000 per day... or \$4.5 million each year.

Now, remember: ZenCash is only at \$20 right now. As the price starts rising, we’ll see the treasury allocation rise along with it.

This model ensures that ZenCash will have a steady supply of capital to pay for its development and growth without having to engage in dilutive coin offerings.

### Plug No. 2: End-to-End Encryption

Earlier, I mentioned that ZenCash is on the cusp of a major announcement that will bring in a flood of new investors. We expect it to be made in the next few weeks.

It has to do with end-to-end encryption.

As of this writing, there is not a single cryptocurrency

that offers end-to-end encryption.

ZenCash is about to fix that with a solution it calls “secured nodes.”

According to the white paper, secured nodes “ensure the system remains distributed, resilient, and secure. By enforcing encrypted communication between nodes, and between nodes and wallets, Zen protects against eavesdropping [...]”

As I mentioned earlier, end-to-end encryption helps thwart government efforts to link network traffic to users’ identities.

As regimes such as China’s and Russia’s become more hostile to cryptocurrencies, this service will become a must-have option.

The secured node network is being beta-tested right now. It will go live in two to four weeks.

Right now, there are 170 test secure nodes. The founders estimate they will have 1,000 secured nodes by the end of the first quarter of 2018.

They expect such rapid growth because anyone operating a secured node will be entitled a share in 3.5% of the mining reward.

We think this is a very smart way of ensuring the ZenCash network stays highly distributed and secure.

### **Plug No. 3: “Domain Fronting”**

As I write this, Russia’s central bank has announced it will block its citizens from accessing cryptocurrency websites.

As already mentioned, China has shut down its domestic cryptocurrency trading platforms.

The founders of ZenCash have long known this day would come. That’s why they built “domain fronting” into ZenCash.

With domain fronting, you can make a domain (website) you’re trying to access look like something else.

For instance, if you are in Russia and want to access a ZenCash wallet, domain fronting would make your network request look like you were going to an approved website.

ZenCash is the only privacy coin we know of that will have domain-fronting capability. As more governments become hostile to cryptocurrencies, this is another feature that will be critical to a privacy coin’s success.

That’s why we expect the global demand for domain fronting to soar, and ZenCash along with it...

Again, as of this writing, ZenCash is the only privacy coin that offers domain fronting.

### **Plug No. 4: Full Privacy Platform**

ZenCash is more than just a way to send and receive money anonymously. It is a full privacy platform that other developers can build upon.

So instead of having to build your own privacy platform from scratch, you can build applications on top of the ZenCash system.

Here are some of the different applications you’ll see launch on the ZenCash platform.

- ZenTalk is a secure communications network that allows you to broadcast a message from one person to many people. Think of it like an encrypted invitation-only Twitter feed.
- ZenPub is a platform that will let you publish and store documents anonymously.
- ZenHide is the domain fronting service. ZenHide will give users the ability to circumnavigate crypto-commerce blocking.

On top of all that, ZenCash includes the ability to send and receive money anonymously (or publicly if you wish). Plus, you can use it as a one-to-one private messaging system.

In addition, ZenCash can work with other blockchains.

Let’s say you want to set up an Ethereum smart contract but handle the payment via a ZenCash shielded address.

In the future, you’ll be able to do that.

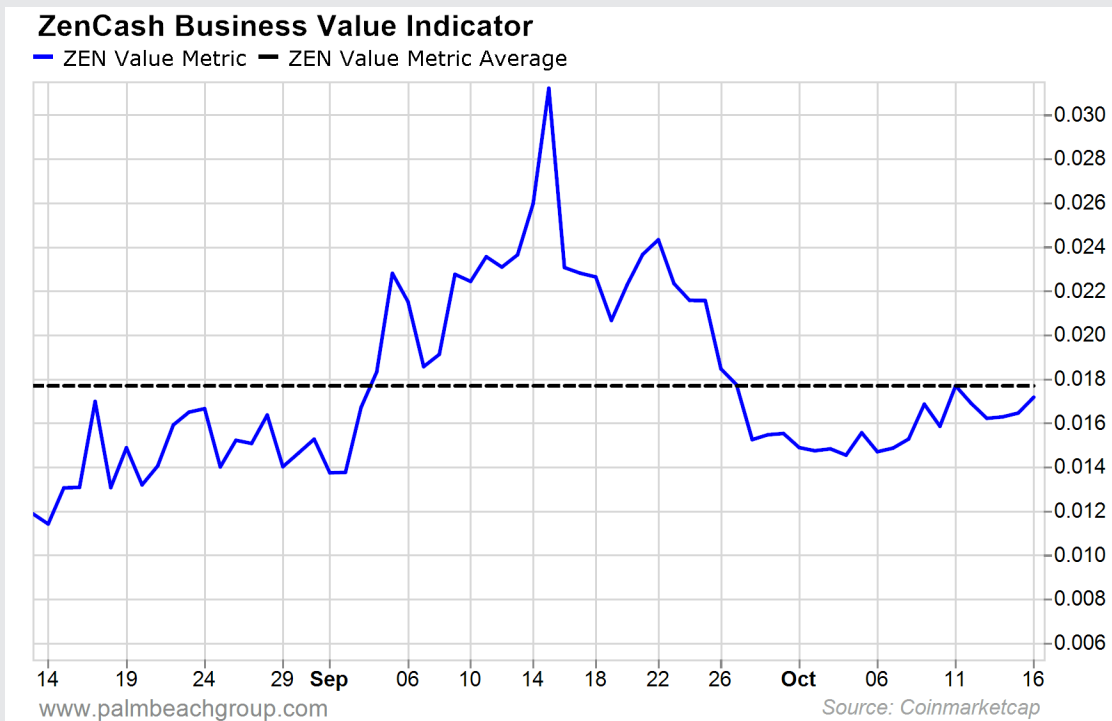
This rich set of features makes ZenCash more than just a privacy coin.

It’s a privacy platform... and platforms are incredibly valuable.

## What Is B.I.T.S. Saying?

**B.I.T.S.** is designed to automatically alert us to ideas when investor sentiment is low. We call this buying at the bottom of the fear curve. [You can read how the system works here.](#)

**B (Business Value Ratio):** The business value ratio measures the daily dollar value of all transactions compared to the total value of the cryptocurrency. When the business value ratio dips below its average, it's a sign the crypto token is cheap.



We can see that the business value ratio is below its baseline (dotted black line). This tells us we are buying in when sentiment is low. We call this buying in at the bottom of the fear curve.

**I (Insiders):** When the business value ratio is flashing, I go to my insiders.

Everyone on the ZenCash development team is well-respected within the crypto community. Just as important, the core team has a history of previous success.

Rolf Versluis used to work for Cisco. Not only that, he's already built a company before and sold it. That means Rolf has hands-on operational experience.

Rob Viglione has a deep background in mathematics, business, and the military.

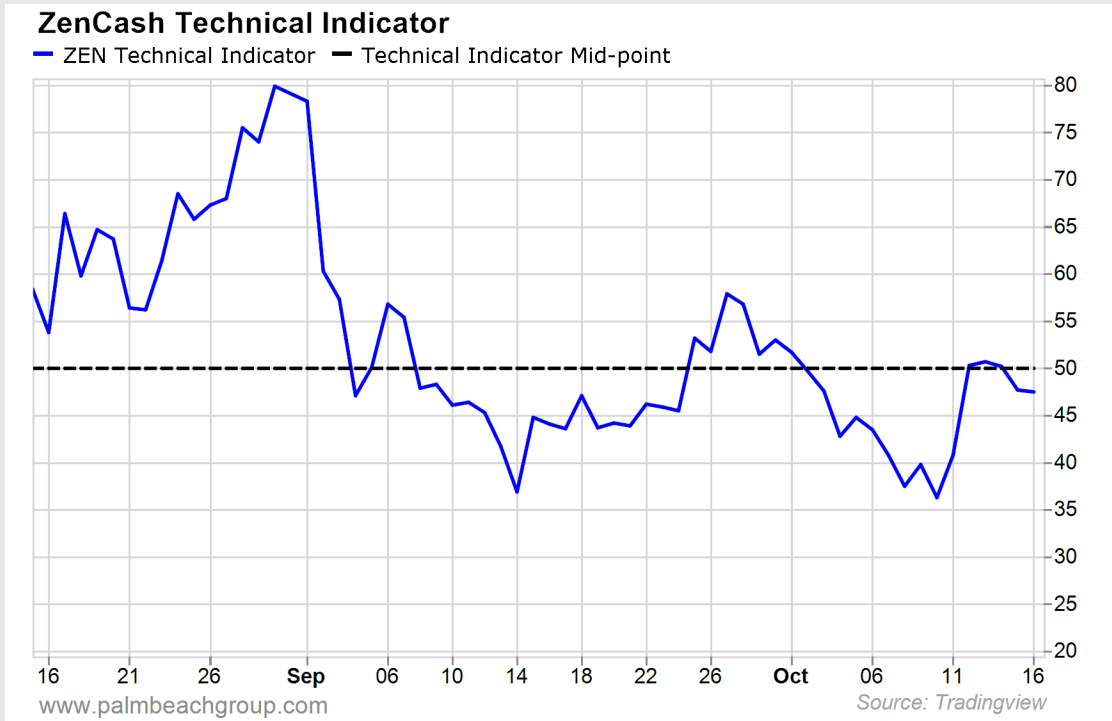
William Wolf is a member of the core technical team. He currently leads the payment engineering team at Airbnb.

In addition, ZenCash snagged Charles Hoskinson as a special advisor. Charles is the former CEO of Ethereum. Charles can work with just about any project he wants. The fact that he chose ZenCash speaks volumes about the project.

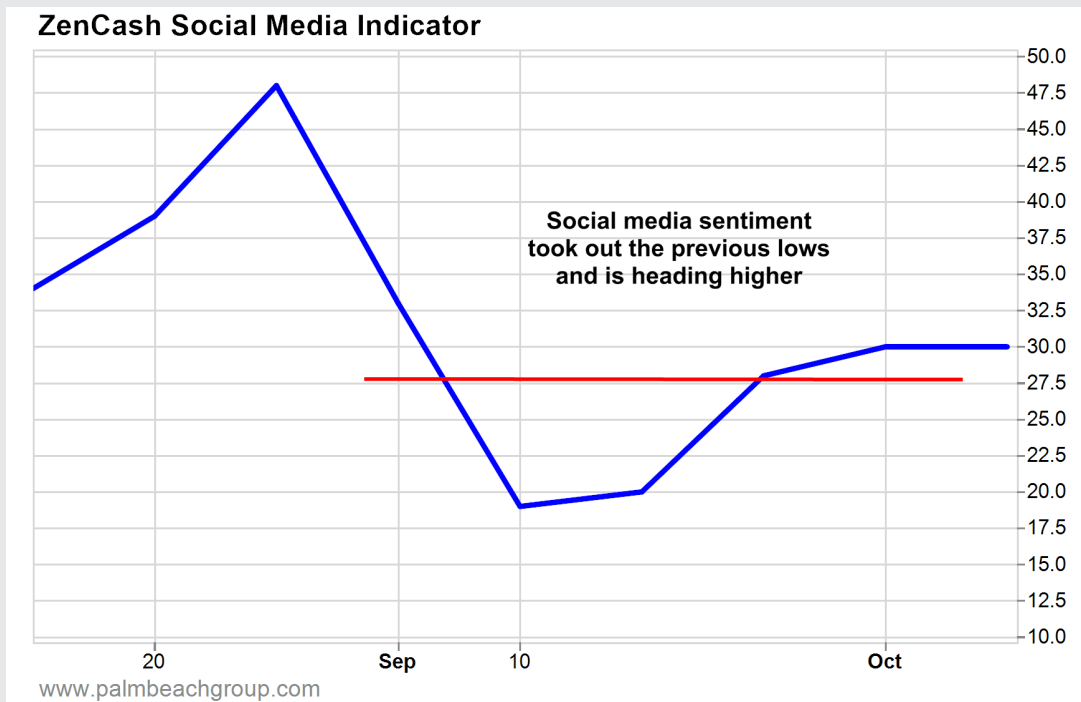
**T (Technical):** We use technical analysis to tell us when the selling is over. The Relative Strength Index (RSI) measures how strong a cryptocurrency is based on its previous trading history. If today's price is higher, the RSI moves up. If today's price is lower, the RSI moves down.



The RSI is just about to break out and give a buy signal.



**S (Social Media):** Our research has shown that before a cryptocurrency takes off, we always see a surge in “chatter” on our social media tracker.



We can see that our social media “chatter” indicator has broken above the baseline but hasn’t taken out the old highs yet. Social media mentions are starting to pick up steam but haven’t given a clear buy signal yet.

This is because platforms attract other developers. And more developers equate to more apps, which equate to more users.

More users equal more demand for ZenCash, and that, my friends, equals much higher prices ahead.

## Bringing It All Together

The question in front of you is simple.

Do you believe that a self-funding, globally decentralized, end-to-end encrypted messaging system that can also store data, publish data, and send and receive money in total secrecy is worth more than \$53 million?

Collectively, Monero, Dash, and Zcash are worth \$4.1 billion.

Over the next five years, ZenCash could be worth more than all of them combined.

Over the next 12–24 months, we think you'll see ZenCash grow into a \$1 billion–2 billion market cap.

If it does that in a year, the coin will rise to approximately \$250–500. (That's based on a future coin count of 4 million outstanding.)

If it takes two years to hit the \$1 billion–2 billion valuation, the coin count will be about 6 million coins outstanding. That will give us a potential price of \$125–250.

Today we can buy it for about \$20.

## Here's How We're Playing It

I expect a lot of volatility out of ZenCash. So, here's how we are going to handle it.

We will buy just a half-sized position first. That means if you normally put \$1,000 in a crypto trade, just put \$500 into ZenCash for now.

We'll buy the second half on the first 50% pullback from the high *after we buy*.

So that means if we get in at \$20 and it goes to \$30 and then drops to \$15, we'd buy the second position at \$15.

I used the same strategy with Monero. It worked beautifully.

We bought the first position at \$9.40. Monero then ran to \$15.04. When it dropped to \$7.52, we put on the second piece. And as you know, we went on to make a combined 1,522% return.

To repeat, our game plan is to buy a half-position now and the second half on the first 50% pullback from the high *after we buy*.

Don't worry about tracking ZenCash every day. We'll send you an email as soon as the second buy signal is triggered.

Remember: Because these trades have massive upside, you can keep your positions small and still make significant gains. If you're a smaller trader, we recommend putting \$200–400 (\$100–200 today) into each trade or \$500–1,000 (\$250–500 today) if you're a bigger trader.

**Action to Take:** Buy ZenCash (ZEN)

**Buy-up-to Price:** Visit our [portfolio page](#) for the price

**Stop Loss:** None

**Position Size:** \$200–400 if you're a smaller investor or \$500–1,000 if you're a bigger investor

**Buy It On:** [Bittrex](#)

**Store It On:** [Swing Wallet](#)

**Important Note:** Do not chase stocks above our buy-up-to price. Cryptocurrencies are volatile. Be patient and allow them to come back into buying range.

Once you do purchase your coins, we always recommend that you take possession of them in your own wallet in which you control the private key. However, we recognize some people are uncomfortable using wallets. In that case, you may choose to keep your coins on the exchange. Please be aware that we consider that to be very risky.

Be sure to check out the resources we're constantly adding to our [Crypto Corner](#). If you have questions about anything cryptocurrencies, chances are you'll find the answers there.

## Crypto Pick No. 2: The World's First Virtual Banking Platform

My second idea is a virtual currency that provides banks a way to safely, securely, and quickly move money around the world.

We believe this new currency and the technology behind it could become the global standard for international bank trades.

If we're right, we'll see \$20 trillion per day in global bank payments transacted across this network.

That's enough volume to push up the value of this digital token from 20 cents to \$2. That's 10 times higher from here.

Before I tell you more, let me show you how banks process payments today.

### The Not-so-SWIFT Way Money Moves Around the World

Before 1973, there was no uniform way for banks to send money on behalf of their customers to foreign banks.

So that year, the banks got together to create a system that allowed them to safely do business with each other.

This payment network is called the Society for Worldwide Interbank Financial Telecommunication (SWIFT).

Today, SWIFT facilitates \$5 trillion per day in cross-border payments among its nearly 11,000 member banks.

At its heart, SWIFT is a messaging platform. Banks use it to send payment messages to other banks.

For the last 43 years, this system has worked quite well. But over time, three significant drawbacks have emerged:

#### Drawback No. 1: SWIFT is slow.

According to a report by the respected consulting firm McKinsey & Co., the average time to complete a cross-border transaction is three to five business days. In the 1970s, that was lightning fast. But in today's world, that's painfully slow.

#### Drawback No. 2: SWIFT is opaque.

You don't know how much it will cost to send a payment via SWIFT until after the payment has been sent. Transaction fees can range from 2% to as much as 10% in underserved markets.

#### Drawback No. 3: SWIFT ties up a lot of money.

SWIFT doesn't actually move any money. However, to create trust, SWIFT members must post collateral for every banking relationship they maintain on the network.

Member banks have to set up bank accounts that hold foreign currency with every bank they transact with. These accounts are called *nostro accounts*.

For instance, Bank of America has thousands of correspondent bank relationships. Each of those relationships requires a separately funded *nostro account*. This ties up significant collateral that generates zero return for the bank.

The European Central Bank estimates that \$433 billion is held in cross-border collateral accounts of just European banks. Estimates of total global liquidity tied up in collateral accounts ranges in the trillions.

Forty-three years ago, SWIFT provided a valuable global service.

### How SWIFT Works

Let's say a Bank of America customer in New York wants to send money to a friend who banks at the UniCredit Banca branch in Venice.

The New Yorker can walk into his Bank of America branch with his friend's account number and UniCredit Banca's unique SWIFT code for its Venice branch.

Bank of America will send a payment-transfer SWIFT message to the UniCredit Banca branch over the secure SWIFT network.

Once UniCredit Banca receives the SWIFT message about the incoming payment, it will clear and credit the money to the Italian friend's account.

*Example cited from Investopedia*

But in today's cost-conscious and speed-obsessed world, SWIFT just doesn't work.

That's why the world's banks are flocking to a new private currency that's disrupting the entire SWIFT model.

## A Faster and More Secure Way to Transfer Money

The name of the private currency is **Ripple (XRP)**.

Ripple is the third-largest cryptocurrency project by market cap at \$8.1 billion, behind only bitcoin (\$93.9 billion) and Ethereum (\$29.4 billion).

Ripple's sole focus is to make it cheaper, easier, and more transparent for people to send money around the world.

Right now, Ripple is focused on becoming the world's largest payment platform for banks.

The idea for Ripple started back in 2004 when creator Ryan Fugger started working on a decentralized monetary system called RipplePay.

In 2012, programmer Jed McCaleb and venture capitalist Chris Larsen approached Fugger about RipplePay. Eventually, Fugger agreed to turn over the project to McCaleb and Larsen, and they cofounded OpenCoin.

In 2013, OpenCoin officially changed its name to Ripple Labs. And in 2015, Ripple Labs was rebranded as Ripple.

McCaleb left Ripple in 2014 to start another cryptocurrency called Stellar. Larsen sits on Ripple's board of directors.

Today, Ripple is led by CEO Brad Garlinghouse.

He's been working in the technology sector for over 20 years with stints at cloud service Hightail, America Online, and Yahoo. He's also an active angel investor in over 40 companies.

## A New Private Currency

Ripple is a private currency system. Instead of a paper ledger, it exists only on a digital ledger.

But banks are flocking to it because it solves the three problems of cross-border transactions that plague SWIFT's members.

### **Solution No. 1: Ripple is faster.**

Imagine Ripple as "PayPal" for banks. With PayPal, consumers can send money immediately to anyone with an email address. With Ripple, banks can send money to any other bank on the Ripple network within five to 10 seconds.

Compared to the three to five days it takes to send money over SWIFT, why would any bank not use Ripple?

### **Solution No. 2: Ripple is more transparent.**

When you send money via Ripple, you know the exact cost and exchange rate, unlike SWIFT.

And because Ripple is built on a blockchain, you can immediately see the transaction being processed. That makes it transparent. This is in stark contrast to SWIFT, which can take days to track down a payment.

### **Solution No. 3: Ripple is cheaper.**

Along with being transparent, Ripple is cheap. According to a recent report published by Ripple, it claims to be at least 42% cheaper than SWIFT.

Ripple estimates that as more users adopt the Ripple platform, those cost savings will climb to 62% over time.

So think about it logically: If you can send money in seconds instead of days and do it for 40–60% cheaper, how do you say no to that value proposition?

## A Bonus Solution

Ripple also does away with the need for separate *nostro accounts* for each banking relationship. Instead, banks only need one collateral account.

With Ripple, each bank only needs to create a relationship with Ripple. Ripple acts as the intermediary that ties all the member banks together.

According to reports from Ripple, this will cut collateral requirements by at least 33%.

There are other cost savings, too.

Right now, compliance costs eat 13% of every \$1 in revenue.

Hard numbers are difficult to locate... but we estimate



the compliance and tracking costs of reconciling thousands of *nostro accounts* have to be in the hundreds of millions of dollars.

By using Ripple instead of SWIFT, banks only have to

reconcile and oversee one account versus thousands of accounts under the *nostro* system.

You can quickly see why Ripple's solution is so much more attractive than SWIFT.

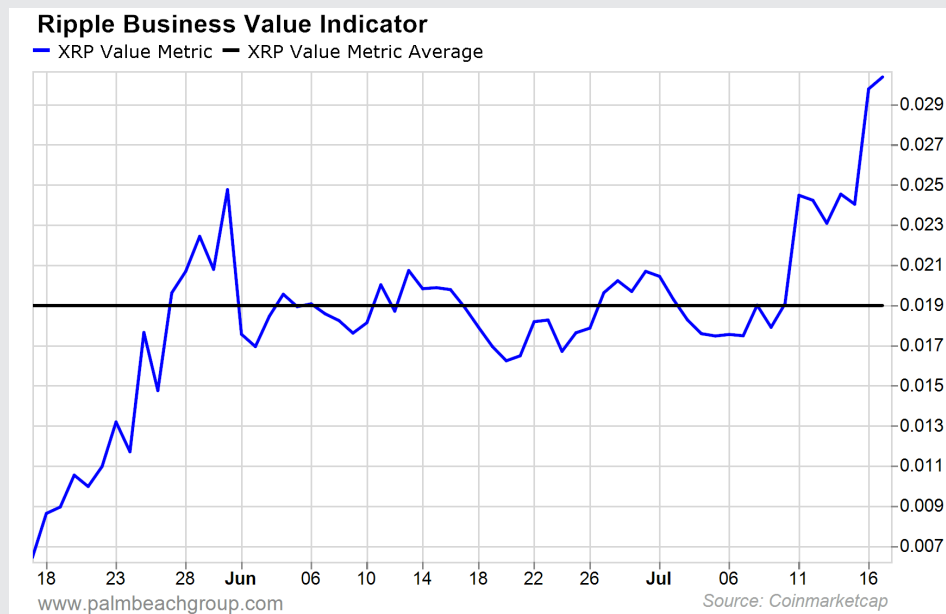
## What Is B.I.T.S. Saying?

(**Note:** When we first recommended Ripple in July 2017, all four B.I.T.S indicators were near alignment. You can read them below.)

**B (Business Value Ratio):** The business value ratio measures the daily dollar value of all transactions compared to the total value of the cryptocurrency. When the business value ratio dips below its average, it's a sign the crypto token is cheap.

XRP's average is 0.0192. It's currently at 0.0306.

When I started writing this report, the Business Value Ratio was deeply depressed. Over the last couple of days, we've seen it start to move higher. However, Ripple is still 50% below its high, so we are fine buying in right here.

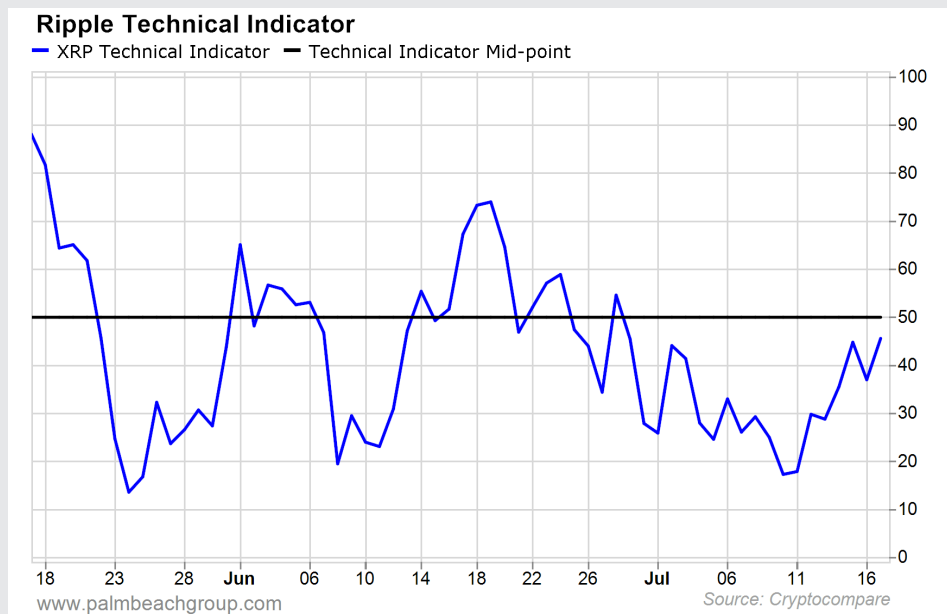


**I (Insiders):** When the business value ratio is flashing, I go to my insiders.

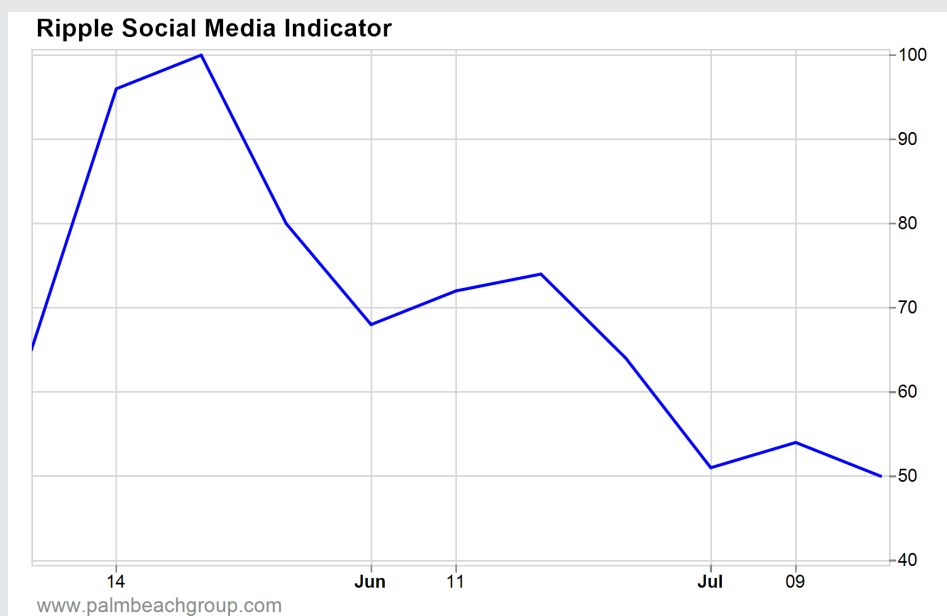
I spent two hours grilling David Schwartz, Ripple's head of cryptography, when I was at the Consensus 2017 conference in New York. The technology is sound, and the value proposition is compelling. All of my crypto insiders agree that Ripple is real.

**T (Technical):** We use technical analysis to tell us when the selling is over. The Relative Strength Index (RSI) measures how strong a cryptocurrency is based on its previous trading history. If today's price is higher, the RSI moves up. If today's price is lower, the RSI moves down.

The RSI for XRP tells us the buyers are close to being in control. By the time you read this, we expect this indicator to be above 50.



**S (Social Media):** Our research has shown that before a cryptocurrency takes off, we always see a surge in “chatter” on our social media tracker.



So far, we aren’t seeing the Social Media Indicator take off yet. We think this has a lot to do with the 50% pullback we’ve seen in the entire crypto space.

Once the overall market stabilizes, we expect sentiment to shift very quickly. By the time it does, Ripple could be making new highs again.

## Bringing It All Together

Ripple gives banks a uniform currency that can be used to complete transactions across multiple types of payment platforms. And it can scale better than any other cryptocurrency.

Ripple is also faster, more transparent, and cheaper than the current SWIFT payment system.

That makes it the clear leader to become the global payments network of the future.

Here's one last thing I'll leave you with...

Right now, Ripple has a market cap of just \$8.1 billion.

When you consider that Visa's market cap is \$223 billion, Mastercard's is \$136 billion, and PayPal's is \$69 billion, Ripple is one of the cheapest global payment companies in the world.

As more banks flock to the Ripple network, we think you'll see at least a 10-times return on your money. That will put XRP's value at \$2.

Today, we can buy it for just over 20 cents.

**Action to Take:** Buy Ripple (XRP)

**Buy-up-to Price:** Visit our [portfolio page](#) for the price

**Stop Loss:** None

**Position Size:** \$200–400 if you're a smaller investor or \$500–1,000 if you're a bigger investor

**Buy It On:** Kraken, [Bittrex](#)

**Store It On:** In a gatehub.net web wallet or a Ledger hardware wallet

**Important Note:** Do not chase stocks above our buy-up-to-price. Cryptocurrencies are volatile. Be patient and allow them to come back into buying range.

Once you do purchase your coins, we always recommend that you take possession of them in your own wallet in which you control the private key. However, we recognize some people are uncomfortable using wallets. In that case, you may choose to keep your coins on the exchange. Please be aware that we consider that to be very risky.

## Bonus Pick: The World's Best Security Coin

In 2016, more than 4 billion data records were stolen, according to a report by Risk Based Security. And that's just the reported breaches.

The problem will only get worse.

Research firm Gartner projects there will be 21 billion devices connected to the global Internet of Things by 2020. That's up from 6.4 billion in 2016.

These devices will include everything, not just smartphones and computers. In a few years, your car, your

home security camera, and even your doorbell will be connected to the internet.

However, there's a big problem: Many of these devices are vulnerable and can be hacked within minutes.

In 2016, cybercriminals hacked into the cloud-based service Dyn. The attack knocked a whole group of major websites offline in Europe and North America, including Twitter, Spotify, Amazon, Reddit, Yelp, Netflix, and *The New York Times*.

The hackers were able to get into the network via unsecured cameras connected to the internet. It was one of the biggest hacks in history.

These vulnerabilities have governments and corporations looking for ways to shield their devices...

## Protecting Connected Devices

The name of the coin that government agencies, nation states, and banks are turning to is **Factom (FCT)**.

The idea for Factom was born from a conversation between Paul Snow and David Johnston in early 2014.

Snow is a software developer with over 30 years of experience. He's known for designing the software that runs Texas' welfare system.

And Johnston is an early investor in the cryptocurrency space. He co-founded cryptocurrency venture capital firm BitAngels in early 2013.

They wanted to design a system that created immutable records. And from that conversation, Factom was born.

[Factom is from the Latin word "factum" for "anything stated and made certain."]

Factom is based in Austin, Texas. The team of 26 professionals has a long track record of building and delivering complex computer programs.

The company is led by CEO Peter Kirby. Kirby's 20-plus years of experience as an entrepreneur and start-up specialist suits Factom well. He's launched six companies in his career, including a bitcoin-mining hardware company.

The most common comments I received when asking around about the Factom team were “those guys are solving real problems” along with “those guys are real.” Here’s why those comments are important...

Much of the development work in App Coins and cryptocurrencies is theoretical. Very few projects are more than a good idea. This is where Factom stands out.

It’s executing and delivering on its promises. It’s gone from the “dream” stage to actually delivering live solutions.

And that’s why the team is held in such high regard...

(If you want to wade into the technical weeds of how Factom has solved the thorny problem of securing connected devices, read the box below. Otherwise, you can skip to the next section about a second tailwind behind Factom.)

## Protecting Billions of Sensitive Documents From Tampering

Factom’s technology goes far beyond just securing devices connected to the internet.

It has the potential to secure an even bigger market: documents.

Think of all the important documents you sign. Mortgage applications alone create more than 5 billion documents every year.

When you add in things like wills, trade agreements, business contracts, land deeds, car titles, insurance documents, and corporate records, we’re talking about hundreds of billions of documents each year.

The same “fingerprint” technology Factom uses to secure connected devices can be used for documents. That means any transaction or communication that needs an ironclad, tamper-proof audit trail will end up using the Factom solution.

Just like devices, if someone tries to change a comma or delete a single space on a document, it will alter the document’s “fingerprint.”

This creates a permanent tamper-proof record of the data.

A regulator, shareholder, or internal auditor can be

## How Factom Secures Devices

Factom isolates the digital “fingerprints” of the devices it’s protecting (digital fingerprints are unique signatures used to identify electronic devices). It then encrypts the signature using an algorithm. The process is called “hashing.”

A cryptographic hash is when you use a formula to transform a piece of data into a series of other numbers.

When you hash a specific piece of data, it will always give you the same string of characters.

But if you were to tamper with the device in any way, it would change the digital “fingerprint,” which would then change the hash.

It’s the equivalent of your identical twin trying to impersonate you. As soon as their fingerprints are taken, you would see that the prints don’t match. The Factom solution is like a fingerprint test for a machine.

Factom constantly checks the “fingerprint” identity of the machine.

As long as it remains the same, all is well. But if there is even the slightest change, the Factom network immediately alerts the relevant authority that the device is being attacked.

To make sure that the “fingerprint” identity data itself can’t be hacked, Factom stores it on the bitcoin blockchain.

The bitcoin blockchain is the most secure computer network the world has ever known.



alerted in real time if a hacker, employee, or insider tampers with records.

The beautiful part of this solution is that you can't reverse engineer the "fingerprint" to reveal the original file.

That's important because it means it's safe to use with even the most sensitive files.

Think about the implications of that... Think about how much paperwork the world's governments create each year. Think about all the embarrassing hacks that have occurred.

In March 2017, the CIA was deeply humiliated when hacking group WikiLeaks released a treasure trove of documents about the spy agency's own hacking operations.

Factom's solution could have stopped the hack of the CIA in its tracks.

Think about the millions of mortgage and foreclosure records that were manipulated by Wells Fargo in the aftermath of the great financial crisis of 2008.

Thousands of people were forcefully foreclosed on even though they paid their mortgages.

In a Factom-based world, that kind of fraud just couldn't happen.

Most people don't yet understand the importance of Factom's technology. The same way they didn't understand the importance of Microsoft's Windows technology in the late '80s.

It could end up being the worldwide digital standard that drives trust through every device maker, corporation, institution, and government.

## Bringing It All Together

Factom is solving the toughest security problems facing the world today. Its solutions will be at the heart of

securing the world's borders, properties, devices, and documents.

It has the team, and the proven technology and contracts are already in place.

It's the leader in providing easy, cheap, and scalable trust. There is no other solution provider in the world that's offering such a low-cost, simple method of making devices and documents tamper-proof.

We think Factom will become the operating system for trust that the world relies on, the same way the world relies on Microsoft's operating systems, or Intel's chips, or Cisco's routers.

The Factom solution will be the trust-based backbone that all other entities use to create and preserve trust.

**Action to Take:** Buy Factom (FTC)

**Buy-up-to Price:** Visit our [portfolio page](#) for the price

**Stop Loss:** None

**Position Size:** \$200–400 if you're a smaller investor or \$500–1,000 if you're a bigger investor

**Buy It On:** [Bittrex](#)

**Store It On:** [Bittrex](#)

**Important Note:** Do not chase stocks above our buy-up-to price. Cryptocurrencies are volatile. Be patient and allow them to come back into buying range.

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Customer Care: Toll-Free: (800) 681-6533, International: (443) 353-4764, Mon-Fri, 9am-5pm ET. Email: [services@palmbeachgroup.com](mailto:services@palmbeachgroup.com). [www.palmbeachgroup.com](http://www.palmbeachgroup.com).

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